UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
---X Case No. 17-CV-2375
JO-RACH, INC d/b/a CAFFE PALERMO,

Plaintiff,

-against-

JEROME RAGUSA a/k/a JEROME RAGUSO, and GINO'S PASTRY CORP., INC. d/b/a GINO'S PASTRY SHOP,

Defendants.
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COMPLAINT FOR LANHAM VIOLATIONS AND UNFAIR TRADE PRACTICES

Plaintiff JO-RACH, INC d/b/a CAFFE PALERMO ("Plaintiff"), through counsel, ALLYN & FORTUNA LLP, complains and alleges against defendants, JEROME RAGUSA a/k/a JEROME RAGUSO, GINO'S PASTRY CORP., INC. d/b/a GINO'S PASTRY SHOP (collectively referred to as "Defendants"), as follows:

NATURE OF THE ACTION

1. This is an action for trademark infringement under 15 U.S.C. § 1114, false designation of origin under 15 U.S.C. § 1125 (a), is brought under the Lanham Act, and violations of Sections 349 and 360-1 of the New York General Business Law, and the common law of the State of New York.

JURISDICTION AND VENUE

2. This Court has jurisdiction over the subject matter of this action pursuant to Section 39 of the Lanham Act, 15 U.S.C. §1121, 28 U.S.C. §§ 1331 and 1338 (a) for the claims arising out of the violation of Sections 32 and 43 of the Lanham Act, has supplemental jurisdiction pursuant to 28 U.S.C. § 1367 for the claims arising out of the violations of Section 349, 259 and 360-1 of the New York Business Law, and all other claims arising under the

common law of the State of New York; and has jurisdiction pursuant to 28 U.S.C. §§ 1338(b) and 1367 for the claims under the common law of unfair competition.

3. This Court has personal jurisdiction over the Defendants because the products that are the subject of this action were, and continue to be, sold and/or offered for sale to consumers in New York State, including in this Judicial District.

4. Venue is proper in this judicial district under 28 U.S.C.§ 1391, as a substantial part of the events giving rise to the claims occurred in this district.

PARTIES

5. Plaintiff JO-RACH, INC. d/b/a CAFFE PALERMO is now, and at all times mentioned in this complaint was, a domestic corporation incorporated under the laws of the State of New York, having a principal place of business at 148 Mulberry Street, New York, New York 10013.

6. Defendant JEROME RAGUSA a/k/a JEROME RAGUSO is now, and at all times mentioned in this complaint was, an individual residing at 580 East 187th Street, Bronx, New York 10458.

7. Defendant GINO'S PASTRY CORP. d/b/a GINO'S PASTRY SHOP ("Gino's) is now, and at all times mentioned in this complaint was, a corporation organized and existing under the laws of the State of New York, with its principal place of business at 580 East 187th Street, Bronx, New York 104585.

8. Upon information and belief, the individual defendant was and is the sole shareholder and sole officer of Gino's, made all business decisions related to the operation of the pastry shop including, without limitation, advertising decisions.

PLAINTIFF'S TRADEMARKS

9. Non-party John Delutro began selling cannoli through the business he opened in 1973, Caffe Palermo, and by 1977 he began using the mark "Cannoli King" in commerce. Mr. Delutro's cannoli were such a success that he became known as "Cannoli King" and he and his cannoli were featured on numerous news shows and publications such as NY Daily News, the Vinny Vella Show, The Villager, The Downtowner, New York Post, and Wall Street Journal Cheat Sheet, as well as various news and radio shows such as, NBC4 New York, Fox5 News, ABC7 Eyewitness News, New York's PIX11 News, and the Joey Reynolds show.

10. Since he began using the trademark "Cannoli King" in 1977, Mr. Delutro continuously used and extensively marketed his trademark "Cannoli King." As a result of his success and publicity, the "Cannoli King" mark has acquired significant recognition among consumers, and the general public has come to associate the trademark "Cannoli King" with Plaintiff's premium-quality cannoli.

11. On August 25, 2015, Mr. Delutro filed a trademark application with the United States Patent and Trademark Office for the mark "Cannoli King."

12. On April 19, 2016, Mr. Delutro's trademark application was published for opposition in the Official Gazette.

13. On July 5, 2016, Mr. Delutro obtained a federal registration for his "Cannoli King" trademark, U.S. Trademark Registration 4991693, covering cannoli. A copy of the "Cannoli King" certificate of trademark registration is attached as Exhibit "A" and incorporated by reference.

14. Mr. Delutro's use in commerce of the "Cannoli King" mark has been continuous and uninterrupted since August 17, 1977. During this time, Mr. Delutro has invested significant resources to develop and foster the reputation, recognition, and goodwill associated with his trademark, including through extensive advertising and promotional efforts and enforcement of his valuable trademark rights.

15. On March 30, 2017, Plaintiff acquired all rights and ownership to the trademark "Cannoli King" pursuant to an Intellectual Trademark Assignment agreement entered into with Mr. Delutro. Pursuant to the agreement between JO-RACH, INC. and Mr. Delutro, JO-RACH, INC. acquired all of Mr. Delutro's rights, title and interests in and the "Cannoli King" trademark including all rights to sue for past, present or future infringement of the mark and to recover damages, profits and other remedies from such infringement. A copy of the Intellectual Property Assignment is annexed hereto as Exhibit "B."

16. The Assignment was registered with the United States Patent and Trademark Office on March 31, 2017.

DEFENDANTS' INFRINGING USE OF THE CANNOLI KING TRADEMARK

17. Upon information and belief, after Mr. Delutro's extensive use of the trademark Cannoli King, Defendants, who operate a pastry shop in Bronx, New York, have begun using Plaintiff's well-known trademark by holding themselves out as "The Cannoli King."

18. Plaintiff discovered Defendants' infringing use of his mark after the opening of the Broadway Show "A Bronx Tale," containing a store front on the set called Gino's Pastry Shop "*The Cannoli King.*" The show led to various news articles attributing that pastry shop contained in the show to Defendants' bakery operating out of Bronx, New York.

19. In light of the extreme similarity between the goods and services being offered for sale by Defendants and Plaintiff, Defendants use of "The Cannoli King" in commerce is likely to cause confusion in the marketplace with Plaintiff's trademark. The resulting confusion will damage Plaintiff and injure its reputation in the trade and with the public.

20. Since discovering the use by Defendants of "The Cannoli King" in commerce, Plaintiff, through counsel, has repeatedly contacted the producers of "Bronx Tale" as well as Defendants requesting that they discontinue and cease the use of Plaintiff's trademark. A copy of the correspondence sent by Plaintiff's counsel is annexed hereto as Exhibit "C."

21. While Plaintiff and the producers of a "Bronx Tale" has reached a resolution, Defendants have refused to cease using Plaintiff's trademark and, instead, on January 31, 2017, filed an application with the United States Patent and Trademark Office to trademark "The Cannoli King," a mark that is nearly identical to Plaintiff's "Cannoli King" mark.

22. Despite Plaintiff's counsel's request, Defendants have continued the use of the confusingly similar mark, leading to confusion, deception and/or mistake among consumers.

FIRST CAUSE OF ACTION
(Infringement of a Registered Trademark, 15 U.S.C. § 1114)

23. Plaintiff repeats, realleges, and incorporates by reference Paragraphs "1" through "22" above as if fully set forth herein.

24. Plaintiff is the owner of the federal trademark registration for "Cannoli King" as set forth above.

25. Defendants have used in commerce, without Plaintiff's consent, marks that are highly similar to Plaintiff's "Cannoli King" mark and that, taking into account the extremely similar commercial activities of the parties, such use is likely to cause confusion, deception or mistake among consumers.

26. Section 32 (1)(a) if the Lanham Act, 15 U.S.C. § 1114 (1)(a), prohibits any person from using in commerce, without the consent of the registrants:

> Any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive…

27. By virtue of the Defendants' conduct, there is a likelihood of confusion between the products of Plaintiff and Defendants. Defendants' conduct constitutes an infringement of Plaintiff's registered mark under § 1114 of the Lanham Act.

28. Defendants' unauthorized and infringing use of Plaintiff's "Cannoli King" trademark will, unless enjoined, cause irreparable harm, damage and injury to the goodwill inured to Plaintiff's mark that has been fostered over the last 40 years.

29. Accordingly, Defendants have engaged in trademark infringement in violation of 15 U.S.C. §1114.

30. Plaintiff has been, and will continue to be, irreparably harmed, damaged and injured as a result of Defendants' infringements and threatened infringements of Plaintiff's trademark.

31. As a consequence of Defendants' unauthorized use of Plaintiff's "Cannoli King" trademark, Plaintiff is entitled to an injunction as set forth below.

32. In addition, Defendants have unlawfully and wrongfully derived, and will continue to derive, income and profits from their infringing acts.

33. As a consequence of Defendants' willful infringement, Plaintiff has no adequate remedy at law and is entitled to recover treble damages or profits in an amount yet to be determined.

SECOND CAUSE OF ACTION

(Trade Dress Infringement and False Designation of Origin, 15 U.S.C. § 1125 (a))

34. Plaintiff repeats, realleges, and incorporates by reference Paragraphs "1" through "33" above as if fully set forth herein.

35. Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a) provides, in relevant part, that:

> Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—(1)(a) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person… shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

36. Defendants, by their unauthorized appropriation and use of Plaintiff's registered mark "Cannoli King," through their use of a confusingly similar mark "The Cannoli King," have used a "false designation of origin" and are engaged, and continue to engage, in acts of wrongful deception of consumers, wrongful designation as to the source and sponsorship of goods in violation of Section 43(a) of the Lanham Act, 15 U.S.C.§ 1125(a).

37. Defendants' acts constitute the use in commerce of false designations of origin and false and/or misleading descriptions or representations, tending to falsely or misleadingly describe and or represent Defendants' products, and constitute a wrongful deprivation of Plaintiffs' good name and reputation, and the wrongful deprivation of plaintiff's right to public recognition and credit as the true source of the "Cannoli King" moniker, which has been continuously used by Plaintiff since 1977.

38. Defendants' acts as described above, are likely to cause confusion, mistake and/or deception as to the source, sponsorship, affiliation or approval of Defendants' goods and

services. Further, Defendants' acts described above constitute false representation of fact that are also likely to cause confusion, mistake, and/or deception as to the source, sponsorship, affiliation, or approval of Defendants' goods and services.

39. Defendant's unauthorized use of Plaintiff's "Cannoli King" trademark has damaged Plaintiff and the business and goodwill symbolized by the trademark.

40. As a consequence of Defendant's unauthorized use of the "Cannoli King" trademark, Plaintiff is entitled to an injunction as set forth below, and order of destruction of all Defendants' infringing materials and products, Defendants' profits, Plaintiff's damages and costs of this action.

THIRD CAUSE OF ACTION
(Trademark Dilution in Violation of the New York General Business Law
(N.Y. Gen. Bus. Law § 360-1)

41. Plaintiff repeats, realleges, and incorporates by reference Paragraphs "1" through "40" above as if fully set forth herein.

42. New York General Business Law, Section 360-l provides that:

> Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.

43. Plaintiff is the exclusive owner of the "Cannoli King" trademark.

44. Through prominent, long, and continued use in commerce, particularly in New York, Plaintiff's "Cannoli King" trademark has become, and continues to become famous and distinctive.

45. Long after Plaintiff's continued use of the "Cannoli King" trademark and the fame and recognition associated with the mark, Defendants, without authorization from Plaintiff began using the trademark in commerce.

46. Defendants' unauthorized use of Plaintiff's "Cannoli King" trademark, dilutes and/or is likely to dilute the distinctive quality of the mark and to lessen the capacity of such mark to identify and distinguish Plaintiff's goods.

47. Defendants' unlawful use of Plaintiff's "Cannoli King" trademark, in connection with inferior goods is also likely to tarnish those trademarks and cause blurring in the minds of consumers between Plaintiff and Defendants, thereby lessening the value of Plaintiff's mark, as a unique identifier of Plaintiff's cannoli products.

48. By the acts described above, Defendants have diluted, and are likely to dilute the distinctiveness of Plaintiff's trademark, and caused a likelihood of harm to Plaintiff's business reputation in violation of Section 360–l of the New York General Business Law.

49. Defendants' acts have caused, and will continue to cause, irreparable injury to Plaintiff. Plaintiff has no adequate remedy at law and is thus damaged in an amount not yet determined.

FOURTH CAUSE OF ACTION
Deceptive Acts and Practices Unlawful in Violation of the New York General Business Law (N.Y. Gen. Bus. Law §§ 349 and 350)

50. Plaintiff repeats, realleges, and incorporates by reference Paragraphs "1" through "49" above as if fully set forth herein.

51. New York General Business Law, Section 349 states, in relevant part, that:

> "Deceptive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service in this state are hereby declared unlawful."

52. New York General Business Law, Section 350 states, in relevant part, that:

> "False advertising in the conduct of any business, trade or commerce or in the furnishing of any service in this state is hereby declared unlawful."

53. Through their advertisement, distribution, offer to sell and sale of unauthorized goods bearing Plaintiff's "Cannoli King" trademark, Defendants have engaged in consumer-oriented conduct that has affected the public interest of New York and has resulted in injury to consumers in New York.

54. Defendants' deceptive acts or practices, as described herein, are materially misleading. Such acts or practices have deceived or have a tendency to deceive a material segment of the public to whom the Defendants have directed their marketing activities, and Plaintiff has been injured thereby.

55. By the acts described above, the Defendants have willfully engaged in deceptive acts or practices in the conduct of business and furnishing of services in violation of Section 349 and 350 of the New York General Business Law.

56. Defendants' acts have caused, and will continue to cause, irreparable injury to Plaintiff.

57. Plaintiff has no adequate remedy at law and is thus damaged in an amount not yet determined.

FIFTH CAUSE OF ACTION
Trademark Infringement in Violation of New York State Common Law

58. Plaintiff repeats, realleges, and incorporates by reference Paragraphs "1" through "57" above as if fully set forth herein.

59. The Plaintiff owns all right, title and interest in and to the "Cannoli King" trademark as described above, including all common law rights in the "Cannoli King" trademark.

60. Upon information and belief, Defendants' sale and distribution of goods are sold in packaging that imitate Plaintiff's common law trademark and advertised through the use of Plaintiff's common law trademark.

61. Defendants' use of the "Cannoli King" mark is unauthorized, and is likely to cause consumer confusion.

62. As a result of Defendants' conduct, the public is likely to believe that Defendants' goods originate or are associated with Plaintiff's products and intended to reap the benefit of the goodwill associated with Plaintiff's trademark.

63. By the acts described above, Defendants have engaged in trademark infringement and unfair competition in violation of the common law of the State of New York.

64. Defendants' acts have caused, and will continue to cause, irreparable injury to Plaintiff.

65. Plaintiff has no adequate remedy at law and is thus damaged in an amount not yet determined.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff prays:

1. For a **FINAL JUDGMENT** that:

a. The Defendants have engaged in trademark infringement in violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114;

b. The Defendants have violated Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a);

c. The Defendants have diluted the distinctiveness of Plaintiff's "Cannoli King" trademark, and caused injury to Plaintiff's business reputation in violation of Section 360-l of the New York General Business Law;

d. The Defendants have engaged in deceptive acts and practices unlawful in violation of Sections 349 and 350 of the New York General Business Law;

e. The Defendants have engaged in trademark infringement in violation of the common law of the State of New York; and

f. That the above acts were done willfully, and/or intentionally.

2. For entry of an **ORDER** permanently enjoining and restraining the Defendants, and their officers, agents, servants, employees and attorneys and all those in active concert or participation with any of them, from:

a. infringing in any manner the Plaintiff's registered trademark;

b. Engaging in any course of conduct likely to cause confusion, deception or mistake, or to injure Plaintiff's business reputation or dilute the distinctive quality of Plaintiff's trademark;

c. Using any false description or representation, including words or other symbols tending falsely to describe or represent Defendants' unauthorized goods or their packaging as being those of Plaintiff, or sponsored by or associated with Plaintiff, and from offering such goods into commerce;

d. Further infringing the Plaintiff's trademark by producing, distributing, circulating, selling, marketing, offering for sale, advertising, promoting, renting, displaying or otherwise disposing of any products or their packaging not authorized by Plaintiff that bear any simulation, reproduction, counterfeit, copy or colorable imitation of Plaintiff's "Cannoli King" trademark;

e. Using any simulation, reproduction, counterfeit, copy or colorable imitation Plaintiff's trademark, in connection with the promotion, advertisement, display, sale, offering for sale, manufacture, production, circulation or distribution of any unauthorized products or their packaging in such fashion as to relate or connect, or tend to relate or connect, such products in any way to Plaintiff, or to any goods sold, manufactured, sponsored or approved by, or connected with Plaintiff;

f. Making any statement or representation whatsoever, or using any false designation of origin or false description, or performing any act, which may or is likely to lead the trade or public, or individual members thereof, to believe that any products manufactured, distributed, or sold by the Defendants are in any manner associated or connected with Plaintiff, or are sold, manufactured, licensed, sponsored, approved or authorized by Plaintiff;

g. Infringing Plaintiff's Trademark, or Plaintiff's rights therein, or using or exploiting Plaintiff's Trademark, or diluting the trademark;

h. Effecting assignments or transfers, forming new entities or associations or utilizing any other device for the purpose of circumventing or otherwise avoiding the prohibitions set forth in any Final Judgment or Order in this action; and

3. For an entry of an **ORDER** directing that the Defendants deliver up for destruction to Plaintiff all unauthorized products, advertisements and packaging in their possession or under their control bearing Plaintiff's Trademark, or any simulation, reproduction,

counterfeit, copy or colorable imitation thereof, and all plates, molds, matrices and other means of production of same pursuant to 15 U.S.C. § 1118.

4. For entry of an **ORDER** requiring the Defendants to disseminate corrective advertisements in a form approved by the Court to acknowledge their violations of the law hereunder, and to ameliorate the false and deceptive impressions produced by such violations.

5. For all such other relief as the Court may deem appropriate to prevent the trade and public from deriving any erroneous impression that any products or associated packaging manufactured, sold or otherwise circulated or promoted by the Defendants are authorized by Plaintiff or related in any way to Plaintiff's products.

6. For an assessment of the ACTUAL DAMAGES suffered by Plaintiff trebled, and an award of all profits that Defendants have derived from using Plaintiff's Trademark, trebled, as well as costs and attorneys' fees to the full extent provided for by Section 35 of the Lanham Act, 15 U.S.C. § 1117.

7. For COSTS OF SUIT, and for such other and further relief as the Court shall deem appropriate.

Dated: New York, New York
April 3, 2017

Respectfully submitted,

ALLYN & FORTUNA LLP

By: ________________________
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